Name

Career choice

Necessary degree or training

Annual gross salary (divide by 12)

Monthly gross salary

Personal allowances (1) from your W-4 (subtract Table 1 amount from your monthly salary)

New number #1 (subtract minimum amount from Table 4 – Monthly Payroll salary range)

New number #2 (multiply by the percentage from Table 4 – Monthly Payroll salary range)

New number #3 (add amount from salary range from Table 4 – Monthly Payroll salary range)

Subtract new number #3 from your monthly gross salary. This is your monthly net salary after federal taxes. Now do the same thing for DC taxes.

**EXAMPLE:**

$ 60,000.00 Annual salary (gross)

÷ 12 Months/year

$ 5,000.00 Monthly salary (gross)

- 329.20 Personal allowances from your W-4

$ 4,670.80

- 3,263.00 Minimum amount from your salary range from Table 4 – Monthly Payroll Period

$ 1,407.80

x .25 Percentage from your salary range from Table 4 – Monthly Payroll Period

$ 351.95

+ 423.45 Amount from your salary range from Table 4 – Monthly Payroll Period

$ 775.40 Amount of federal taxes taken from your monthly paycheck

$ 5,000.00 Monthly salary (gross)

- 775.40 Amount of federal taxes taken from your monthly paycheck

$ 4,224.60 Monthly salary (net)

**Budget Allocations:**

Take your monthly net salary and multiply it by the percentage next to each category to determine the total amount you can spend each month in that area. Round to the nearest hundredth. All of your answers should add up to your monthly net salary. It may be off by a few cents. Remember that these are general guidelines as to how to divide up your income. Many factors can cause need for slight adjustments.

**Example:**

Housing 33% $4,224.60 x .33=$1,394.12

(rent and renter’s insurance, utilities, phone, cable, etc.)

Transportation 8% $4,224.60 x .08=$337.97

(payment, gas, insurance, maintenance, parking, Metro card, bike and bike maintenance)

Debt payment 14% $4,224.60 x .14=$591.44

(student loans, credit cards, etc.)

Food 15% $4,224.60 x .15=$633.69

(includes groceries and eating out)

Savings 10% $422.46 (move the decimal one

(short-term or long-term goals) place to the left in monthly pay)

Entertainment 5% Half of 10% above=$211.23

Everything else 15% 3x what is above=$633.69

(charity, church, clothing, childcare, and other miscellaneous expenses)